GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:169
ANSWERED ON:08.03.2001
PROTEST AGAINST HIGH POWER TARIFF
SUDHA YADAV

Will the Minister of POWER be pleased to state:

(a) whether the Government are aware of the fact that the farmers community in the country is protesting against power tariff hike by the State Governments; and

(b) if so, the details thereof and the steps taken by the Union Government in the interest of the farmers community in the matter?

Answer

THE MINISTER OF POWER (SHRI SURESH P. PRABHU)

(a) & (b) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) & (b) OF STARRED QUESTION NO. 169 TO BE ANSWERED IN THE LOK SABHA ON 08.03.2001 REGARDING PROTEST AGAINST HIGH POWER TARIFF.

(a) & (b) : Some categories of consumers including agricultural consumers have been protesting against the tariff increases decided by State Electricity Boards (SEBs)/State Electricity Regulatory Commissions (SERCs) in some States.

The National Development Council (NDC) appointed a Committeeon Power chaired by Chief Minister of Maharashtra.The report submitted in September, 1994 recommended inter alia, that,

- The State Government should adopt minimum All India agricultural tariffas notified by Ministry of Power/Central Electricity Authority and also should agree to provide subsidy to the SEBs in a transparent manner to compensate for the losses, if any.

- Subsidies to the agricultural consumers should be progressively phased out.
Chief Ministers` Conference held in 1996 adopted a Common MinimumNational Action Plan for Power (CMNPP) which envisages, inter alia that :

No sector shall pay less than 50% of the average cost of supply (cost of generation plus transmission and distribution) and that tariffs for agricultural sector will not be less than 50 paise KWH to be brought to 50% of the average cost in not more than three years.
The Government of India have enacted the ElectricityRegulatory Commissions Act, 1998 with a view to rationalize tariff and providing for transparent policies regarding subsidies. The RegulatoryCommissions are expected to fix tariff so as to progressively reflect the cost of supply, encourage efficiency, economy and competition. The RegulatoryCommissions are also required to ensure that interests of consumers are safeguarded and at the same time consumers pay for the use of electricity in a reasonable manner based on the average cost of supply.

The Conference of Chief Ministers/Power Ministers held on26.2.2000 recognised that the cross subsidies cannot be sustained if the industrial tariff makes industry non-competitive.

The Chief Ministers/Power Ministers Conference held on 3.3.2001 resolved inter-alia that,

- the quality of power supplied especially in rural areas needs to be improved through the Accelerated Power Development Programme and other programmes quickly.
- SERCs may be made functional in next six months and tariff filingsmade. Tariff orders issued by Central Electricity Regulatory Commission and SERCs need to be implemented fully unless stayedor set aside by court orders. It is necessary to move away from the regime of providing free power.
- The past decisions of Chief Ministers of minimum agricultural tariff of 50 paise may be implemented immediately.